The transcript of President Kennedy's news conference Yesterday:

The President: Good afternoon.

I have a statement to make. The Soviet Union and yarious Eastern European countries have expressed a willingness to buy from our private grain dealers at the tegular world price several million tons of surplus American wheat or wheat flour for shipment during the next several months. They may also wish to purchase from us surplus feed grains and other agricultural commodities.

After consultation with the National Security Council, and informing the appropriate leaders of the Congress, I have concluded that such sales by private dealers for American dollars or gold, either cash on delivery or normal commercial terms, should not be prohibited by the Government. The Commodity Credit Corporation in the Department of Agriculture will sell to our private grain traders the amount necessary to replace the grain used to fulfill these requirements, and the Department of Commerce will grant export licenses for their sale with the commitments that these commodities are for delivery to and use in the Soviet Union and Eastern Europe only.

An added feature is the provision that the wheat we sell to the Soviet Union will be carried in available American ships, supplemented by ships of other countries as required. Arrangements will also be made by the Department of Commerce to prevent any single American dealer from receiving an excessive share of these sales.

No action by the Congress is required, but a special report on the matter will be sent to both Houses tomorrow.

Basically, the Soviet Union will be treated like any other cash customer in bargain with private American therefrants. While phioved iffor Release 2003/40/10 batter of gold which will help our train and NATO allies have a greed to sell 10 million to larly in view of the fact that the world market who is

world price, which is the only way it could be sold, only there is in such transactions no subsidy to the foreign purchaser; only a savings to the American taxpayer on wheat the Government has already purchased and stored at the higher domestic price which is maintained to assist our farmers.

This transaction has obvious benefit for the United States. The sale of four million metric tons of wheat, for example, for an estimated \$250 million, and additional sums from the use of American shipping, will benefit our balance of payments and gold reserves by that amount and substantially strengthen the economic outlook for those employed in producing, transporting, handling and loading farm products.

Wheat, moreover, is our number one farm surplus today, to the extent of about one billion unsold bushels. The sale of around 150 million bushels of wheat would be worth over \$200 million to the American taxpayer in reduced budget expenditures. Our country has always responded to requests for food from governments of people who needed it so long as we were certain that the people would actually get it and know where it came from.

The Russian people will know they are receiving American wheat. The United States has never had a policy against selling consumer goods, including agricultural commodities, to the Soviet Union and Eastern Europe. On the contrary, we have been doing exactly that for a number of years, and to the extent that their limited supplies of gold, dollars and foreign ex-change must be used for food, they cannot be used to purchase military or other equipment.

Our allies have long been engaged in extensive sales of wheat and other farm products to the Communist bloc, and, in fact, it would be foolish to halt the sales of our wheat when other countries can buy wheat

tons of wheat and wheat flour to the Communist bloc.

This transaction advertises to the world as nothing else could the success of free American agriculture. It demonstrates our willingness to relieve food shortages, to reduce tensions, and to improve relations with all countries, and it shows that peaceful agreements with the United States which serve the interests of both sides are a far more worthwhile course than a course of isolation and hostility.

For this Government to tell our grain traders that they cannot accept these effers, on the other hand, would accomplish little or

nothing. The Soviets would continue to buy wheat and flour elsewhere, including wheat flour, from those nations which buy our wheat. Moreover, having for many years sold them farm products which are not in surplus, it would make no sense to refuse to sell those products on which we must otherwise pay the cost of storage. In short, this particular decision with respect to sales to the Soviet Union, which is not inconsistent with many smaller transactions over a long period of time, does not represent a new Soviet-American trade policy. That must await the settlement of many matters. But it does represent one more hopeful sign that a more peaceful world is both possible and beneficial to us all.

Political Repercussions

Q: Mr. President, do you have any misgivings about possible political repercussions from your decision?

A: I suppose there will be some who will disagree with this decision. That is true about most decisions, But I have considered it very carefully and I think it is very much in the interest of the United States. As I said before, we have got one billion bushels of this in surplus, and American taxpayers are paying to keep it, and I think we can use the

CIA and Viet-Nam

Q: Mr. President, could you discuss some of the recent public accounts of CIA activities in South Viet-Nam, particularly in the stories or reports of how the CIA has undertaken certain independent operations, or independent of other elements of the American Government, that are in South Viet-Nam?

A: I must say I think the reports are wholly untrue. The fact of the matter is that Mr. (CIA Director John) McCone sits in the National Security Council. I imagine I see him at least three or four times a week, ordinarily. We have worked very closely together in the National Security Council in the last two months attempting to meet the problems we face in South Viet-Nam. I can find nothing, and I have looked through the record very carefully over the last nine months, and I could go back further, to indicate that the CIA has done anything but support policy. It does not create policy; it attempts to execute it in those areas where it has competence and responsibility. I know that the transfer of Mr. John Richardson (CIA official in Saigon) who is a very dedicated pubic servant, has led to surmises, but I can just assure you flatly that the CIA has not carried out independent activities but has operated under close control of the Director of Central Intelligence, operating with the cooperation of the National Security Council and under my instructions.

So I think while the CIA may have made mistakes, as we all do, on different occasions, and has had many successes which may go unheralded, in my opinion in this case it is unfair to charge them as they have been charged. I think they have done a good job.

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ileated those areas where the Soviet Union and the nitted States had disagreement. It is my hope that the state of the sta

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week less the image of views on hose matters which are such that but not make the principal objection and the United States are when the such as the community would be such as the principal objection of your talk tomorphy with him?

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· A-Weapons in Space

Q: Mr. President, the re-ported agreement in prin-ciple between Russia and the United States to ban nuclear weapons from outer space, has the issue of veri-fication come up in any way, and if so, sir, in what way?

space, has the search of the control of the control

Shorter Workweek

Week in California Cale
Something, that led some
people to believe that you
had changed your opposition to a shorter workweek.
Is that correct
A: I am opposed to it.
What I was talking about
was that inevitably as the
century goes on, in my judgment, as machines increasingly take the place of
men, that we will have more
leisure, and therefore,
should take those stops in
the field of conservation, resource development, and recreation, which will prepare
us for that period. But, that
is not talking about today or
tomogrow. It, would be a
great mistake for us its
reduce our 40-hour work
week now. It would a
feet our competitive position
abroad, and I think that the
needs of America, produc-

Q: For better or worse? A: I say I don't think that there have been changes in the situation in the last month. I think we are still dealing with the same problems we were dealing with a month ago.

Latin American Coups

Q: Mr. President, was Assistant Secretary (of State Edwin M.) Martin's statement cleared with you, and if so; does it represnt a reversal of our policy on dictatorships in Latin America?

dictatorships in Latin America?

A: No, I was informed generally of what Mr. Martin was saying, and in fact I reread it this afternoon. In the first place, our policy is not reversed. If attention could be drawn to Secretary Rusk's statement of Friday evening in regard to the coups in the Dominican Resemble. The coups in the Dominican Resemble of the constitutional system by military coups, not only because we are all committed under the Aliance for Progress to democratic government and progress and progressive government, but also because of course dictatorships are the seedbeds from which communism ultimate ly springs up.

So we are opposed to military coups, and the first first for that the seedbeds from which communism ultimate ly springs up.

which communism ultimately springs up.

So we are opposed to military coups, and it is for that reason that we have broken off relations with the Dominican Republic and Honduras It is for that reason that we attempted to work, on the situation in Peruwhich led, I think in part because of the American efforts, possibly because of the Peruwian people's efforts, to free elections, the Martin was merely at the problems in Latin America, why coups take place, and what problems they present us, but we are opposed to coups, because we think that they are defeating, self-defeating and defeating for the hemisphere and we are using our influence and I am sure the other countries of the hemisphere are using their influence those areas where coups have taken place to provide for an orderly rescoups have taken place to provide for an orderly restoration of constitutional processes.

processes.

Q: Mr. President, beyond the immediate action, sir, in relation to the Dominican Republic and Honduras, does the United States plan any general, enunciation of policy in regard to military regimes, or does it contemplate asking general hemi-

Ike and Barry

we are working with the other members of the Organization of American States so that together we can bring about a return to order in those countries and a return to peaceful procedures. That is the policy of the United States. I have just enunciated it again.

just enunciated it again.
Q: I was asking specifically, sir, whether the United States contemplated any broader hemispheric action in terms of general action by the OAS in this respect.
A: Not at this time. This a matter which I think all the other countries, the OAS, have decided what they are going to do. I think the United States has made its position clear. position clear.

position clear.

Q: Mr. President, are you satisfied in retrospect that the United States did all it could, short of the use of force, to prevent the Dominican and Honduran coups?

At You Law L. hero.

Mican and Honduran coups?

A: Yes, I am. I. have looked over the conversations, the minutes, of cables and so on, and I think we did. This idea that we ought to send United States Marines into Honduras, which, of course, we couldn't have done under the conditions, because of the time gap, I think is a very serious mistake. That is not the way, in my opinion, and I think that Mr. Martin was attempting to explain that, that is not the way for democracy to flourish.

So I think we did the best

ourish. So I think we did the best we could. It may be possible to always do better, but we did the best we could, and we are going to do so.

we are going to do so.

Coldwater Cartidacy

10: Mr. L'adigent; there is a wide special impression that you expect Sensary Goldwater to be the Republican nomine of resident next year. I think your special in Sait Lake City had something to do with that Is that your expectation;

A: I think he can do it. I think it is possible for him to do it. But he has a long road to go, recalling the situation. In September 1959, October 1959. I think Sena-tro Goldwater has a trying seven or eight months which will test his endurance and his perseverance and be supplemented.

ance and his perseverance and his agility.

A: Are you basing that on

your own experience in 1960? A: Yes

should better express hing-self.

A: Senator Goldwater is speaking frequently, and he is saying what he tiniks as of the time he speaks, and I think, therefore, we have an opportunity to make a judg-ment of where he stands. I don't think Senator Goldwa-ter has ever been particular-ly deceptive. I think he has made very clear what he is made very clear what he is opposed to and what he is opposed to and what he is for. I have gotten the idea. I Overseeing the CIA think President Eisenhower

Q: Mr. President, how will, as time goes on.

Democratic Possibilities

Democratic Possibilities
Q: Mr. President, to keep
the ball rolling, there are a
couple of obvious candidates in another party who
say they are going to make
their announcement of their
decisions in December or
January. Have you set a
timetable for yourself or are
you already a candidate?
A: No, No, I think I will
wait. This next year, I can
wait longer.

Valachi Hearings

Q: Mr. President, the Va-lacht crime committee hearings are getting very-mixed reviews. As a former congressional investigator, I wonder whether you feel they are serving any useful

wonder whether you teel
wonder whether you seful
purpose.

A: No, I wouldn't want—I
haven't commented on the
Senate procedures and I
wouldn't now on this
heating or other hearings.
That is a judgment for Senator McClellan and the
Committee. I do think that
we shouldn't get a distorted
idea from the hearings. I
think particularly as Columbus Day comes up I think
there may be some feeling
of some yeople that the
name Valachi perhaps
c auses embarrassment to
other American citizens. I
don't think it should. These
difficulties, occur. In a good don't think it should. These difficulties, occur, in a good many different macked groups; and it finhs, that they ought to feel a good deal of bride in whist they have done and not be concerned because a Valachi or an Irish name or some other

employed and unemploy-ables, because of their lack of skills.
Would you agree with the

Congressman that this would be helpful in high-lighting the problem we have in employment and education?

have in employment and education?

At I wouldn't want to put it in that kind of a catagory. I think I can see there might be some merit in trying to mark out those who are unemployed because of structural unemployment, and those who are unemployed because of the seasonal nature of their work, those who are unemployed because of illiteracy or lack of motivation. I think all of that information—we have a good deal of the agood deal of the agood deal of the united States unemployable.

Our receives the CIA

Orerseeing the CIA

Q: Mr. President, how do
you feel about Senator
(Ernest) Gruening's (D-Alaska) proposal to set up a
congressional committee as
a watchdog over the CIA?

A: I think the present
committees, there's ne in
both the House and Senate
which maintains very close
liaison with the CIA, is best,
considering the sensitive

liaison with the CIA, is best, considering the sensitive nature of the Central Intelligence Agency's work.

As you know, there is a congressional committee in the House, one in the Senate, composed of members of the Appropriations Committee and the Armed Services Committee, and they meet frequently with Mr. McCone and he also testifies before the Foreign Relations Committees of House and Senate and the general Armed Services Committee. And I think that the Congress has through that organization the means of keeping a liaison with him.

In addition, I have an additional constitutions and interest and interest

Italson with him.

In addition, I have an advisory council which was headed by Dr. Killion for merly, now Mr. Clark Clifford, which includes Jimmie Doolittle and others, and Robert Murphy, who also served as an advisory committee to me on the work of the intelligence commuty. I am well satisfied with the present arrangement.

The Otepka Case

Q: Mr. President, sir, there seems to be some connection between the attempt of the State Department is discharge Mr. Otto Otepka the security officer, an there seems to be some cor the security officer, and there seems to be some conname may occasionally get in trouble.

Unemployment Figures, and the gave much difference to be some conname may occasionally get in trouble.

Unemployment Figures, and the gave much difference to be some conname may occasionally get in the gave much difference that the gave much difference the gave much difference to be some conname to be some conname to be some conname to be some conname to get much difference to be some conname to be some conname to go the state of the source of the sourc

Q: That Government em-ployes are allowed to give See TEXT, A15, Col. 1

In the meanwhile, the sproveder of Release 2003/10/10 in the Subcommittee can have ing, we are watching the information that it matter with concern and Q: Mr. President, former think we are in agreement ate Subcommittee can have all the information that it By what means? You requires as to why Secretary Rusk has taken the action Q: Well, any information. The law doesn't say what it will be. It says that any Govthat he has. I think that is the best procedure. And I can assure you that I will examine the matter myself, ernment employe can give information to members of Congress or to the commitwhen it comes time, as the Secretary of State will, bears the responsibility, when it comes time to take any disciplinary action, if A: Well, let me just say that the Secretary of State has been prepared to testify since August before the In-ternal Security Committee and discuss the case very completely—

mean secret dispatches?

Q: Well, but-

A: Excuse me. There was

a hearing scheduled for ear-

a hearing scheduled for ear-ly September, but because of the Labor Day weekend that hearing did not take place. The Secretary of State stands, ready, and he is the responsible officer. Now the

responsible officer. Now the best thing to do is to give the Secretary of State a chance to explain the entire case; because in all frankness, your analysis of it is not complete.

not complete.

Q: Would you like to complete it, sir?

A: I will be glad to have the Secretary of State talk to the Internal Security

committee about what it is that has caused action to be taken, administrative action to be taken, within the Department of State, to be taken against the gentleman

you named, the kind of ac-tions he carried out, what the law said, how he met the law, how he didn't meet the law. This is all a matter

that is going to be heard by the State Department Board. Then it will be heard by the

Civil Service Commission for review. Then it can be discussed in the courts.

Price Increases

such a time does come.

Q: Mr. President, last spring there were selective price increases in steel, re-cently there have been price increases in steel. Are you concerned about these in-creases, sir, and do you feel you are going to take any action about them?

A: Well, we are watching very carefully the rises which have taken place in certain industries. This country has avoided an in-flationary spiral. We see no reason why there should be one now. The wholesale price index has remained relatively constant for five years. We are concerned that price increases in one or two basic areas may stimulate other price increases which will affect adversely our competitive position abroad, and therefore affect our balance of payments, therefore affect our nation-al interest.

In addition, profits are at a record high now. They have never been higher in history, and the whole year of 1963 looks very good, and, therefore, we should be concerned also with reducing prices as well as increas-

will continue in the days ahead to do so.

Financing of Wheat Deal

Q: Mr. President, has there been an official ruling that giving commercial credits to Russia would not vio-late the Johnson Act?

A: Yes, that is correct, because it is not a government-to-government transaction.

Q: It is not a governmentto-government?

A: It is not a government-to government. These are private traders that will be involved and the credit will be granted by banks. In the case of Canada, as you know, the terms were 25 per cent down, 25 per cent then cent down, 25 per cent then for every six months for a period of 18 months. But because the interest rate was of a certain figure, I thing 4% per cent, the Soviets decided to pay cash and, therefore, paid something like 80 per cent cash. We will be dealing on the same matter with them on interest rates would be slightly higher than the Canadian ly higher than the Canadian rate, possibly, under the private commercial system, and it may be that they will decide, therefore, to pay a very large percentage in

But I have gotten a ruling from the Department of Justice that this does not contravene existing laws, particularly the Johnson

Q: Will the grain dealers take the risk, then?

A: The grain dealers will take the risk with the pri-

vate banks.

head of the CIA Allen Dulles said in an interview in the Journal-American today that reports of disputes between the CIA and the State Department and various branches of the govern-ment in South Viet-Nam have arisen because of "a lack of a clear-cut operation-al policy in Washington." He goes on to say that what he thinks is needed is less back-biting between U agency officials. In view the defense that you just gave CIA, would you care to agree with the Dulles charge or contest it?

A: I would agree with the last part of it, that the agencies—as we all know, they are faced with a very difficult problem in South Viet-Nam, which we are all familiar with, both on the military and political side. Men have different views about what actions we should take, and they talk to members of and they talk to members of the press, to all of you, in Saigon and here in Wash-ington. But I must say that as of today, and I think this is particularly true since General Taylor and Secre-tary McNamara came back, I know of no dissurgement. know of no disagreement I know of no disagreement between the State Department at the top, CIA at the top, Defense at the top, the White House and Ambassador Lodge, on what our basic policies will be and what steps we will take to implement it. If down below there is disagreement, I think in part it will be because they are not wholly cause they are not wholly informed of what actions we are taking. Some of them are necessarily confidential. But I think our policy,

about what we ought to do. I would think that Saigon, and personnel in the various agencies, should support that policy, because that is the policy we are going to carry out for a while.

Telling of Wheat Deal

Q: Mr. President, if I understood you correctly on derstood you correctly on the wheat statement, you said the Russian people will know they are receiving American wheat.

A: That is correct.

Q: Is that by some agree-ment with the Soviet Union or how would that come about?

about?

A: No, we have our own means of informing the So-viet Union. As you know, for many months the Voice of America has not been blocked, for example, and therefore, we believe have adequate means to in-form the Russian people of the arrangement

In addition, I am not sure that there is any reason for the Russians themselves to keep it quiet as it is a com-mercial transaction. But in any case, we have the means to provide that knowledge.

Domestic Politics

Q: Mr. President, as the election year approaches, there is an unusual amount of political activity already, as the questions reflect. I wonder if you would give us your thinking as an ex-perienced politician as to the prime assets of your Ad-ministration next year, and the prime liabilities of your Administration?

A: I think you would not want to-as we only have a

relatively short time, I think we ought to make a judg-ment on that in 1964, and I say that without any—a lot of these matters we will have to decide whether the United States is better off economically than it was before, and whether our posi-tion in the world has im-proved, and whether our prospects for peace are prospects for peace are greater, and whether our defenses are stronger, and whether we are making progress at home and abroad. That is a matter which seems to me will be argued very strongly in '64. For example, we make a judgment about the state of the economy in '64. I think if they pass our tax bill, we are going to be able to demonstrate a very successful, ebullient economy for a period of four years. If they do not, we will have a dif-ferent situation. I cannot tell what our relations will be in Southeast Asia a year from now. I know what results our policy is attempting to bring. But I think that result ought to be judged in the summer of 1964 and the fall of 1964, and I have hopes that the judgments will be that the economy is will be that the economy is moving ahead, that the rate of growth has been almost \$100 billion, will have been from about \$500 billion to \$600 billion to the substantially stronger militarily, that the chances of war have been reduced over Berlin and perhaps in other areas. But I would not want to make those judgments now, because I think we still now, because I think we still have a long way to go before next summer, and I think that to say this is the end of the road would be a mistake. I think we ought

the West and South, politiludged by what we do that is the way it is going to be. It is too early now.

Q: Could I ask one final thing, sir? Have you brought back any dominant impressions of your two recent trips in cal impressions?

A: I would say we are going to have a hard, close fight in 1964, but that has been my impression for a good many months.

The Press: Thank you, Mr. President.